



STATE OF MINNESOTA  
OFFICE OF THE ATTORNEY GENERAL  
ST. PAUL 55155

WARREN SPANNAUS  
ATTORNEY GENERAL

January 20, 1982

ADDRESS REPLY TO:  
ATTORNEY GENERAL'S OFFICE  
POLLUTION CONTROL DIVISION  
1935 WEST COUNTY ROAD B-2  
ROSEVILLE, MN 55113  
TELEPHONE: (612) 296-7342

The Honorable Paul A. Magnuson  
Judge of the United States District Court  
754 United States Courthouse  
316 North Robert Street  
St. Paul, MN 55101

Re: United States v. Reilly Tar & Chemical Corp.  
File No. Civ. 4-80-469

Dear Judge Magnuson:

This letter is in response to your letter of December 31, 1981, requesting a statement on the status of the above case.

1. Name and address of clients:

Minnesota Department of Health  
717 Delaware Street, S.E.  
Minneapolis, MN 55440

Minnesota Pollution Control Agency  
1935 West County Road B2  
Roseville, MN 55113

Attorney General Warren Spannaus  
102 State Capitol  
St. Paul, MN 55101

2. Name of insurance carriers involved, if any:

None known.

3. A concise statement of the party's version of the facts of the case:

Reilly Tar's operation of a coal tar refining and wood treating facility from 1917 to 1972 has resulted in contamination of soils at and near the Reilly Tar site and contamination of groundwater in a wide area in St. Louis Park and Hopkins. Federal, state and local governments have incurred, and continue to incur, substantial costs in responding to this coal tar contamination. Reimbursement of these costs, abatement

of the pollution, and natural resource damages and other damages are sought by the plaintiffs. Further details of the State's claims can be found in the State's Memorandum in Opposition to Defendant's Motion to Dismiss and the accompanying Affidavit of David J. Giese which were submitted on June 15, 1981.

4. If a discovery termination date has not been set, discovery procedures necessary for trial:

a. List of discovery completed to date:

Prior to commencement of this action in September, 1980, a parallel action had been brought by the State and the City of St. Louis Park against Reilly Tar in state district court. In that action, the State and City jointly served a request for document production on Reilly Tar, the State served interrogatories on Reilly Tar, and Reilly Tar served the same discovery devices on the plaintiffs. The interrogatories have been answered and documents produced by all three parties. In addition, Reilly Tar took a short deposition of an elderly former employee who is in poor health.

Pursuant to the stipulation of the three parties to the state court action, this Court (Magistrate Floyd E. Boline) entered an Order on July 13, 1981, making the state court interrogatories and interrogatory answers part of the record in this action.

b. List of discovery to be completed:

Extensive discovery of all types is anticipated since discovery in the state court action essentially had not proceeded beyond interrogatories and document inspection, and since no discovery has been initiated by, or directed to, the plaintiff United States.

c. Date when all discovery will be completed:

Completion of discovery is estimated to require a year.

5. Contemplated dispositive and non-dispositive motions:

Motions to dismiss brought by Reilly Tar were heard by the Court on January 15, 1982. No other motions are foreseen while these motions are under advisement. If the motions are not granted in full, responsive pleadings will be required which may give rise to further motions.

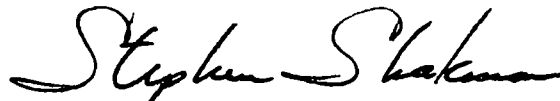
6. Possibility of settlement:

Settlement has been discussed and all parties appear open to further discussion.

7. Estimated time of trial (including jury selection and jury charge, if relevant):

Trial is certain to be lengthy but the time required cannot be estimated until the case has developed further. Considerations should be given to scheduling regular status conferences before the magistrate; to employing some of the pre-trial procedures suggested in the Manual for Complex Litigation; and to separating trial into liability and damages proceedings.

Very truly yours,



STEPHEN SHAKMAN  
Special Assistant  
Attorney General

SS/ps

cc: All counsel of record